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## MINUTES

### FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 155

May 12, 2014

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 155 (the "District") met in regular session, open to the public, on the 12th day of May, 2014, at the Bonbrook Plantation Recreational Center, 9210 Reading Road, Rosenberg, Texas, within the boundaries of the District, and the roll was called of the members of the Board:

Henry C. Fry President

Alice Janca Vice President

Ralph Stafford Assistant Vice President

James M. Hallmark Secretary

Donna Johnson Assistant Secretary

and all of the above were present except Director Fry, thus constituting a quorum.

Also present at the meeting were: Brett Telford and Ann Evans, residents of the District; Cris Meyer of Lake Management Services, L.P. ("LMS"); David Beyer of Storm Water Solutions, L.P. ("SWS"); Sergeant Jean Gobar and Deputy Thomas James of Fort Bend County Sheriff's Office; Joel Raymond and John Reyna of Greenscape Associates; Micheal Wang of LJA Engineering & Surveying, Inc. ("LJA"); Vanessa Perez and Greg Coleman of Beazer Homes of Texas ("Beazer"); Rhonda Rushton of Assessments of the Southwest, Inc. ("ASW"); Mary Ann Mihills of McLennan & Associates, L.P.; Dusty Lane, Whitney Aelmore and Krystle Williams of Si Environmental, LLC ("Si"); and Susan Edwards and Margaret Harwell of Allen Boone Humphries Robinson LLP ("ABHR").

The Board considered approving the minutes of the March 4, 2014 and April 14, 2014, meetings. Director Hallmark requested revisions to the April 14, 2014 minutes. After review and discussion, Director Johnson moved to approve the minutes, subject to the requested revisions. Director Janca seconded the motion, which passed by unanimous vote.

## APPROVE MINUTES

The Board considered approving a Certificate of Election, reflecting the election of Jim Hallmark and Brett Telford to the Board of Directors of the District, each for a four-year term. After review and discussion, Director Johnson moved to approve the Certificate of Election and the distribution of same to Directors Hallmark and Telford, and direct that the Certificate of Election be filed appropriately and retained in the 2014 DIRECTORS ELECTION

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District's official records. Director Janca seconded the motion, which passed by unanimous vote.

Ms. Edwards reviewed the Sworn Statements and Oaths of Office for Directors Hallmark and Telford. After review and discussion, Director Johnson moved that the Board approve the Sworn Statements and Oaths of Office and direct that the documents be filed in the official records of the District, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Janca seconded the motion, which passed by unanimous vote.

Ms. Edwards reviewed the current Board of Directors organization and officers. Following discussion, Director Stafford moved that the officers' positions be as follows:

**REORGANIZE BOARD AND ELECT OFFICERS**

Alice Janca President

Donna Johnson Vice President

Ralph Stafford Assistant Vice President

Jim Hallmark Secretary

Brett Telford Assistant Secretary

Director Hallmark seconded the motion, which carried unanimously.

**AUTHORIZE EXECUTION AND FILING OF DISTRICT REGISTRATION FORM**

Ms. Edwards said the District is required to file an updated District Registration Form reflecting the new terms of office of the elected Directors with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Janca moved to authorize execution and filing of an updated District Registration Form reflecting the new terms of office. Director Stafford seconded the motion, which passed unanimously.

Ms. Edwards explained that state law requires any elected or appointed director who has taken the Oath of Office to complete the Texas Open Meetings Act training within 90 days of taking the Oath, and presented a memo from ABHR explaining the Texas Open Meetings Act and Public Information Act. She stated that, as an elected public official, Director Telford must complete the Open Meeting Acts training and requested that he submit his certificate of completion to ABHR for filing in the District's official records. The Board concurred that the Director should receive a per diem for the training.

**OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS**

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Ms. Edwards stated that Chapter 176 of the Texas Local Government Code requires directors to disclose certain conflicts of interest that they and/or their immediate family members may have, and presented an explanatory memorandum from ABHR, a copy of which is attached. She encouraged Director Telford and any other directors to contact ABHR if assistance is needed in determining whether a conflict requires disclosure or in making a required disclosure.

#### CONFLICT OF INTEREST DISCLOSURE

#### BOOKKEEPER'S REPORT

Ms. Mihills presented and reviewed the bookkeeper's report, a copy of which is attached, and presented the checks for payment. She reviewed the year-to-date budget comparison and explained variances. After review and discussion, Director Janca moved to approve the bookkeeper's report and the checks presented for payment. Director Stafford seconded the motion, which passed by unanimous vote.

Ms. Edwards reported the Fort Bend County Municipal Utility District No. 158 ("No. 158") Homeowners' Association (the "HOA") is interested in possible cost-sharing of security services. The Board concurred it would be willing to contract to share patrol costs with No. 158, not the HOA, if No. 158 is agreeable to adding a second patrol shift to the program.

Sergeant Gobar introduced Deputy James and then reported on patrol and security issues occurring since the Board's last regular meeting.

#### OPERATOR'S REPORT

Mr. Lane presented the operator's report, a copy of which is attached. He stated there were 804 connections as of March 11, 2014, noting 11 new taps since last month. He said there were no excursions at the regional sewage treatment plant and reviewed the maintenance and repairs performed for the period.

Mr. Lane said that the Drinking Water Act has been amended to provide for a reduction in the amount of lead allowed in plumbing materials from 0.08% to 0.25%.

Mr. Lane discussed Si's need to increase the charge for a 5/8" tap from \$350 to \$390 and for a 1" tap from \$760 to \$800 to cover the cost of tap materials that meet the new lead requirement. The Board requested an agenda item for the June meeting to amend the Rate Order.

After review and discussion, Director Janca moved to approve the operator's report. Director Johnson seconded the motion, which passed by unanimous vote.

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The Board conducted a hearing on the termination of utility service. Mr. Lane reported that the residents on the attached termination list were mailed written notice prior to this meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and to show reason why the utility service should not be terminated for reason of nonpayment. After review and discussion, Director Janca moved that, because the residents on the termination list were neither present at the meeting nor had presented any statement on the matter, utility service should be terminated in accordance with procedures set forth in the Rate Order. Director Johnson seconded the motion, which passed unanimously.

#### HEARING ON TERMINATION OF WATER SERVICE

Mr. Lane presented the 2013 Consumer Confidence Report ("CCR"), a copy of which is attached. After review and discussion, Director Johnson moved to approve the CCR, authorize Si to mail the CCR to residents, and authorize Si to submit the certificate of mailing to the Texas Commission on Environmental Quality. Director Stafford seconded the motion, which passed unanimously.

#### CONSUMER CONFIDENCE REPORT

The Board reviewed the Critical Load Spreadsheet of the District's facilities. Upon a motion made by Director Hallmark and seconded by Director Janca, the Board unanimously voted to approve the Critical Load Spreadsheet and authorize submittal of the same to the appropriate agencies.

#### CRITICAL LOAD SPREADSHEET

Mr. Raymond introduced John Reyna of Greenscape Associates to the Board. He then reported on mowing and maintenance in the District occurring since the Board's last regular meeting. After discussion, Mr. Raymond reviewed with the Board Greenscape Associates' recent proposals, based on the Board's request, for more frequent mowings of either 38 or 42 mows per year. The Board concurred to table any action on additional mowings.

#### UPDATE ON DETENTION/AMENITY LAKES

Mr. Meyer discussed routine operating, maintenance, and repair matters at the District's detention ponds. Mr. Meyer reported on the large amount of trash around all three lakes. He next discussed replacement of the motor for the fountain at Lake C in the amount of \$2,488, with a one-year warranty. After discussion, Director Johnson moved to approve replacement of the fountain motor. Director Janca seconded the motion, which passed unanimously.

#### APPROVE FOUNTAIN PUMP REPLACEMENT AT DETENTION POND

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Ms. Rushton presented and reviewed the tax assessor/collector's report and delinquent tax roll, copies of which are attached. She said that 98.86% of the District's 2013 taxes have been collected as of April 30, 2014. Following review and discussion, Director Johnson moved to approve the tax assessor/collector's report and payment of the bills listed in the report. Director Stafford seconded the motion, which passed unanimously.

#### TAX ASSESSOR/COLLECTOR'S REPORT

After discussion, Director Janca made a motion to engage the Fort Bend County Tax Assessor Collector to collect the District's taxes instead of Assessments of the Southwest. Director Stafford seconded the motion. The motion failed by a vote of two in favor, Directors Stafford and Janca; two opposed, Directors Johnson and Hallmark; and Director Telford abstaining.

#### REVIEW FORT BEND COUNTY TAX ASSESSOR PROPOSAL

The Board asked that this item be repeated on the agenda in six months.

Mr. Wang presented a written report of engineering activities performed by LJA for the District, a copy of which is attached, updating the Board on the status of ongoing projects.

#### ENGINEER'S REPORT

Mr. Wang requested authorization to design the water, sewer, and drainage facilities to serve Bonbrook Plantation South, Section 6. After discussion, Director Johnson moved to authorize LJA to design the water, sewer, and drainage facilities to serve Bonbrook Plantation South, Section 6. Director Janca seconded the motion, which carried by unanimous vote.

Mr. Wang requested approval of the plans and specifications and authorization to advertise for bids for the construction of water, sewer, and drainage facilities to serve Bonbrook Plantation North, Sections 10, 11 and 12. After review and discussion, Director Hallmark moved to approve the plans and specifications and authorize LJA to advertise for bids for the construction of water, sewer, and drainage facilities to serve Bonbrook Plantation North, Sections 10, 11 and 12. Director Johnson seconded the motion, which passed unanimously.

Mr. Wang presented LJA's Recommendation of Award for the construction of Bonbrook Plantation North, Section 10, noting four bids were received. He said LJA recommends award to Hurtado Construction Co., Inc. ("Hurtado"), in the amount of \$527,325.00. After review and discussion and based on the engineer's recommendation, Director Johnson moved to award the contract to Hurtado, the contractor whose bid, in the opinion of the Board of Directors, will result in the best and most economical

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completion of the project. Director Janca seconded the motion, which carried unanimously.

Mr. Wang presented and recommended approval of Pay Estimate No. 1 in the amount of \$99,903.60 to Hurtado for the construction of Bonbrook Plantation South detention pond "D." After review and discussion and based on the engineer's recommendation, Director Johnson moved to approve Pay Estimate No. 1 in the amount of \$99,903.60 to Hurtado. Director Janca seconded the motion, which carried unanimously.

Ms. Edwards discussed expansion of the regional wastewater treatment plant for Fort Bend County Municipal Utility District No. 152 ("MUD No. 152"), Fort Bend County Municipal Utility District No. 155 ("MUD No. 155") and Fort Bend County Municipal Utility District No. 158 ("MUD No. 158"). Ms. Edwards next discussed amending the regional wastewater treatment plant agreement to provide for construction and operation of the expansion. She stated surplus funds may be used to fund a portion of the District's share of the expansion, if approved by the TCEQ. After discussion, Director Janca moved to approve amendment to the regional wastewater treatment plant agreement for expansion of facilities, subject to final approval by ABHR. Director Johnson seconded the motion, which carried unanimously.

#### APPROVE AMENDMENT OF REGIONAL WASTEWATER TREATMENT PLANT AGREEMENT FOR EXPANSION OF FACILITIES

Ms. Edwards next reviewed a proposed agreement between the District, Beazer, and Bonbrook Plantation to advance the costs associated with the expansion of the regional wastewater treatment plant. Upon a motion by Director Janca, seconded by Director Johnson, the Board voted unanimously to approve an agreement with the developers regarding the advance of funds for the wastewater plant expansion. Ms. Edwards noted that the bookkeeper's report reflects that both developers' funds have already been deposited with the District.

#### APPROVE CONSTRUCTION FINANCING AGREEMENT FOR PHASE THREE OF INTERIM WASTEWATER TREATMENT PLANT

Ms. Edwards discussed using surplus bond funds to cover a portion of the regional wastewater treatment plant expansion costs. Following discussion, Director Janca moved to adopt a Resolution Authorizing Application to the Texas Commission on Environmental Quality for the Use of Surplus Funds. Director Johnson seconded the motion, which passed unanimously.

#### ADOPT RESOLUTION AUTHORIZING APPLICATION TO TCEQ FOR USE OF SURPLUS FUNDS TO FUND A PORTION OF THE DISTRICT'S SHARE OF THE REGIONAL WASTEWATER TREATMENT PLANT EXPANSION

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Ms. Perez and Mr. Coleman reported on the status of Beazer's development in the District, noting seven home sales in the past month.

DEVELOPER'S REPORT

STORM WATER PERMITTING MATTERS, INCLUDING RECEIVE NOTICE OF INTENT AND STORM WATER MANAGEMENT PROGRAM AND AUTHORIZE SUBMITTAL TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Mr. Beyer presented the Notice of Intent (the "NOI") and updated Storm Water Management Program ("SWMP") prepared in accordance with the requirements set forth in TPDES General Permit No. TXR040000 for the Board's review. Following review and discussion, Director Janca moved to approve the NOI and SWMP, authorize submittal to the Texas Commission on Environmental Quality, and direct that the NOI and SWMP be filed appropriately and retained in the District's official records. Director Hallmark seconded the motion, which was approved by unanimous vote.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

Secretary, Board of Directors  
(SEAL)

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